

In the Matter of)	
)	ORDER NO. Do4-84
UNIGARD INSURANCE COMPANY)	
And)	CONSENT AND ORDER
UNIGARD INDEMNITY COMPANY,)	TO PAY FINE
)	
Authorized Insurers.)	
_____)	

FINDINGS OF FACT

- 1) A Market Conduct Examination, Order Number G03-57, was conducted to review the companies' procedures between June 1, 2001, and May 31, 2002. Because the companies are under common control they were examined together.
- 2) The following areas of operation were reviewed:
 - a. Advertising;
 - b. Agent Licensing;
 - c. Complaints;
 - d. Rate and Form Filings;
 - e. Underwriting and Rating;
 - f. Cancellation and Non-Renewals;
 - g. Claim Settlement Practices.
- 3) There were various insurance code violations found throughout the examination. After the violations were brought to the attention of the carriers, these violations were corrected. An outline of the corrective action taken by the companies was received in a letter dated July 18, 2003, and received July 21, 2003, from the companies' general counsel.

CONCLUSIONS OF LAW

- 1) The Market Conduct Examination revealed violations of the Washington State Insurance Code in the areas of operation outlined above.
- 2) In determining an appropriate assessment for any violations, the OIC may consider various pertinent factors such as: the carriers' history of

previous violations; the carriers' willingness to work with the OIC to take corrective action and ensure compliance with the insurance code; and the amount of assessment reasonably likely to deter future violations.

- 3) Under RCW 34.05.060, the OIC is authorized to resolve this matter through this Order.

ORDER

Under RCW 48.05.185, the OIC offers a settlement to resolve this matter. Unigard Insurance Company and Unigard Indemnity Company hereby waive their right to a formal hearing under the Washington State Administrative Procedure Act, Chapter 34.05 RCW, notice thereof, and any judicial challenge to the OIC's actions related to the subject matter of this Order, consent to the entry of this Order, admit to the foregoing findings of fact and conclusion of law, and acknowledges their duty to comply fully with the applicable laws of the State of Washington.

By agreement of the parties, the OIC will not take any further action to discipline Unigard Insurance Company and Unigard Indemnity Company in this matter other than as set forth below:

- Unigard Insurance Company and Unigard Indemnity Company will together pay a fine of \$150,000 of which \$75,000 will be suspended;
- This fine will be paid within thirty (30) days of the date this Order is entered;
- Unigard Insurance Company and Unigard Indemnity Company will commit no further violations of the laws that are the subject of this Order.

EXECUTED and AGREED this _____ day of _____, 2004.

UNIGARD INSURANCE COMPANY
UNIGARD INDEMNITY COMPANY

By: _____

Title: _____

ENTERED AT TUMWATER, WASHINGTON, this _____ day of _____,
2004.

MIKE KREIDLER
INSURANCE COMMISSIONER

By _____
Mary M. Cotter
Staff Attorney
Legal Affairs Division